10400-1

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS **AUGUST 1989**

INDUSTRY SHIPMENTS INCREASE 2.4% THRU JUNE 1989

Total industry net shipments for six months of 1989, reported at 8,452 million pounds, were up 2.4 percent from the six month 1988 total of 8,252 million pounds.

Domestic shipments of 7,358 million pounds decreased 1.9 percent from the six month 1988 total of 7,503 million pounds.

Exports of ingot and mill products of 1,094 million pounds are up 46.0 percent from six months of 1988. Imports decreased 6.8 percent for the same period.

	1989 6 Mos.	1988 6 Mos.	% Change
Mill Products	6,986	6,682	4.5
Ingot	1,466	1,570	-6.6
Total	8,452	8,252	2.4
Less Exports	1,094	749	46.0
Domestic Total	7,358	7,503	-1.9

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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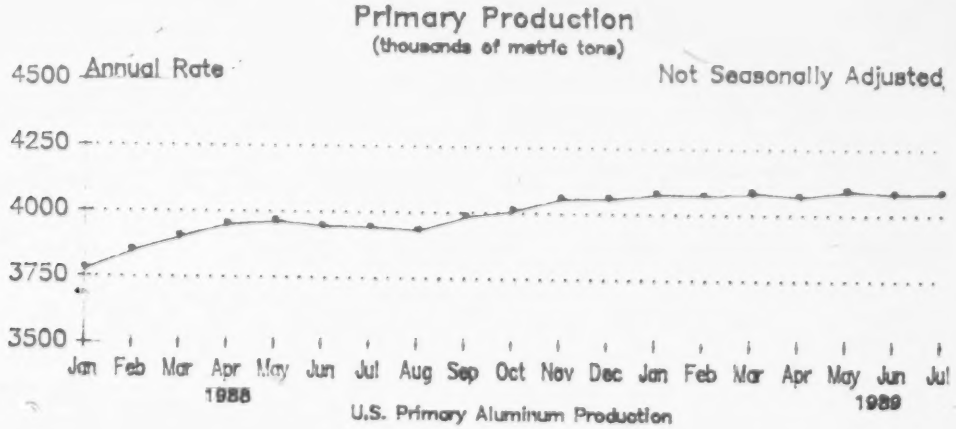
PRIMARY PRODUCTION DAILY RATE AVERAGES 11,184 METRIC TONS

U.S. primary aluminum production averaged 11,184 metric tons daily during July 1989. This compares with an average of 10,759 metric tons a day in July 1988 and 11,173 metric tons a day in June 1989. The annual rate of production in July 1989 was 4,082,278 metric tons compared with 3,937,711 metric tons in July 1988 and 4,078,230 metric tons in June 1989. Actual production in July 1989 was 346,714 metric tons.



U.S. Primary Aluminum Production

This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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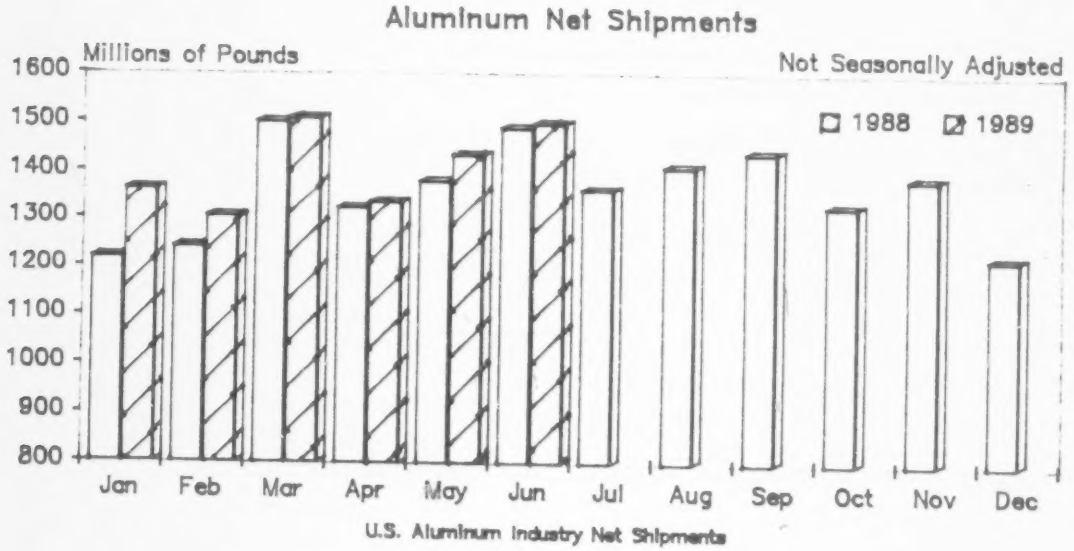
INDUSTRY NET SHIPMENTS INCREASE 2.4 PERCENT

Total industry net shipments for six months of 1989, reported at 8,452 million pounds, were up 2.4 percent from the six month 1988 total of 8,252 million pounds. Domestic shipments of 7,358 million pounds decreased 1.9 percent from the six month 1988 total of 7,503 million pounds.

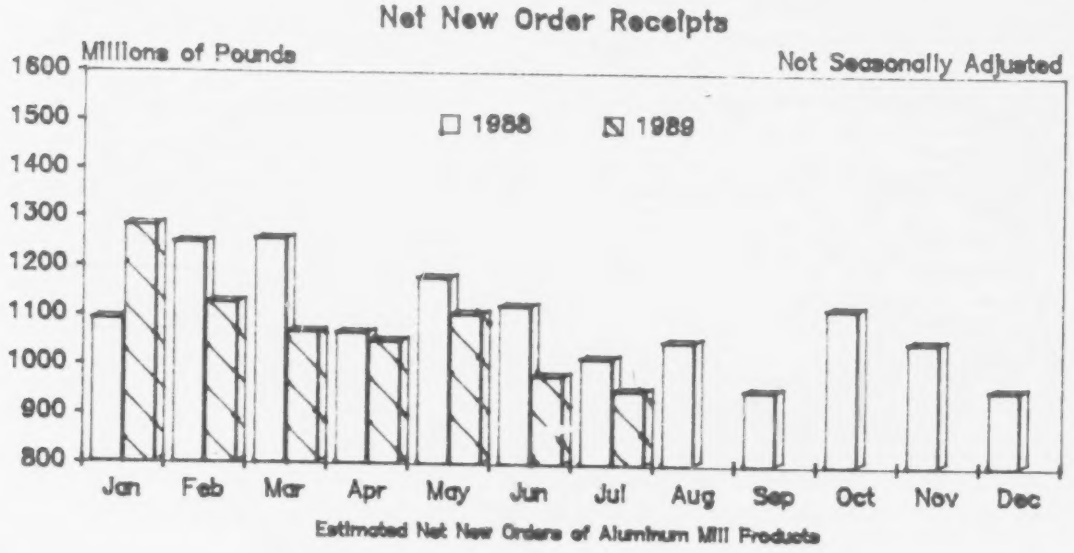


NET SHIPMENTS (Millions of Pounds)	1989 June	1988 June	1989 6 Mos.	1988 6 Mos.	% Change 1989 vs 1988
Sheet	685.0	633.8	3,917.4	3,557.1	10.1
Plate	28.1	30.9	162.1	155.1	4.5
Foil	77.7	89.3	451.6	499.9	-9.7
Rod,Bar & Wire	24.0	20.3	152.4	163.8	-7.0
Elec. Conductor	61.9	59.4	361.7	327.6	10.4
Extruded Shapes,Tube	233.5	252.5	1,374.9	1,374.2	0.1
Powder & Paste	8.1	7.9	46.0	44.2	3.9
Forgings & Impacts	14.0	14.0	81.9	87.3	-6.2
Net Imports of Mill Products (Total) (a)	83.6	65.4	437.9	473.0	-7.4
Total Mill Products	1,216.0	1,173.4	6,986.0	6,682.4	4.5
Ingot	283.4	308.1	1,466.0	1,570.0	-6.6
TOTAL INDUSTRY SHIPMENTS	1,499.5	1,481.5	8,451.9	8,252.4	2.4
Exports	190.0	168.0	1,094.1	749.4	46.0
TOTAL DOMESTIC SHIPMENTS	1,309.5	1,313.5	7,357.8	7,503.0	-1.9

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data may include revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 5.2 PERCENT

Estimated net new order receipts of aluminum mill products for seven months of 1989, totaling 7,566 million pounds, declining 5.2 percent from a seven month 1988 total of 7,981 million pounds. July order receipts of 951 million pounds decreased 3.0 percent from a revised June 1989 figure of 981 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 July	1988 July	1989 7 Mos.	1988 7 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	314.7	329.1	2,445.8	2,740.7	-10.8
Can Stock (a)	293.2	359.0	2,525.0	2,432.4	3.8
Foil	85.8	66.7	591.7	604.5	-2.1
Bar, Rod & Wire	30.8	37.6	244.1	279.5	-12.7
Electrical Conductor	35.3	46.2	399.6	450.5	-11.3
Extruded Shapes & Tube	173.5	158.5	1,201.5	1,325.0	-9.3
Powder & Paste	6.9	8.7	67.4	57.8	16.6
Forgings & Impacts	11.2	10.9	91.1	90.2	1.0
Total Mill Products	951.4	1,016.7	7,566.2	7,980.6	-5.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES JUMP 13 MILLION POUNDS

Producer inventories increased in June 1989 to an reported total of 4,275 million pounds. This represents an 13 million pound jump from the revised May 1989 level of 4,262 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
April	4,246	1,480	587	2,180
May	4,262r	1,439r	521r	2,302r
June	4,275	1,513	595	2,167

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Figures revised

CUSTOMER INVENTORIES REPORTED AT 32.4 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of June 30, 1989 was 32.4, down 5.8 percent from inventories reported at the end of May 1989.

Month-End Aluminum Customer Inventories
(Average Number of Days)

April	33.8
May	34.4
June	32.4

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* June	1988 June	1989* 6 Mos.	1988 6 Mos.	% Change 1989 vs 1988
Imports	Mill Products	92.2	79.6	504.3	505.9	-0.3
	Ingot	163.0	176.8	1,112.8	1,229.7	-9.5
	Total	255.2	256.4	1,617.1	1,735.7	-6.8
	Scrap (+ dross)	41.2	38.0	235.8	229.1	2.9
	Grand Total	296.4	294.4	1,852.9	1,964.7	-5.7
Exports	Mill Products	91.7	72.4	587.9	417.4	40.8
	Ingot	98.3	95.7	506.2	332.0	52.5
	Total	190.0	168.0	1,094.1	749.4	46.0
	Scrap	87.5	106.2	634.9	464.3	36.7
	Grand Total	277.5	274.2	1,729.0	1,213.7	42.5
Net Imports		18.9	20.2	123.9	751.1	-83.5

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989